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# **EXHIBIT     8**

**LIST OF CURRENT VERSIONS  
MCI<sub>m</sub>-NYNEX NEW YORK  
INTERCONNECTION AGREEMENT  
(By Attachment)**

**LIST OF CURRENT VERSIONS  
MCIm-NYNEX NEW YORK INTERCONNECTION AGREEMENT  
(BY ATTACHMENT)**

<u>ATTACHMENT</u>	<u>VERSION</u>
PART A	Last Revised 12/17/98: Amendment Number 2
PART B	Last Revised 12/17/98: Amendment Number 2
ATTACHMENT I	Last Revised 12/17/98: Amendment Number 2
ATTACHMENT II	Original
ATTACHMENT III	Last Revised 12/17/98: Amendment Number 2
ATTACHMENT IV	Original
ATTACHMENT V	Last Revised 12/17/98: Amendment Number 2
ATTACHMENT VI	Original
ATTACHMENT VII	Original
ATTACHMENT VIII	Last Revised 12/17/98: Amendment Number 2
ATTACHMENT IX	Original
ATTACHMENT X	Original

**MCIm-NYNEX NEW YORK INTERCONNECTION AGREEMENT  
(Last Revised 12/17/98: Amendment Number 2)**

**Amendment Number Two to the  
New York Interconnection Agreement  
between  
New York Telephone Company  
d/b/a Bell Atlantic-New York  
and  
MCImetro Access Transmission Services LLC**

THIS AMENDMENT NUMBER TWO to the New York Interconnection Agreement (the "Agreement") executed on September 2, 1997 between New York Telephone Company and MCImetro Access Transmission Services, Inc. is entered into this 17 day of December 1998 by and between New York Telephone Company d/b/a Bell Atlantic-New York ("Bell Atlantic"), a New York corporation with offices at 1095 Avenue of the Americas, New York, New York 10036 and MCImetro Access Transmission Services LLC, a Delaware corporation with offices at 8521 Leesburg Pike, Vienna, Virginia 22182.

WHEREAS, MCImetro Access Transmission Services, Inc. has merged into MCImetro Access Transmission Services LLC effective December 1, 1998 at 5:01 p.m.; and

WHEREAS, by operation of law, as of the effective date of the merger, MCImetro Access Transmission Services LLC is responsible for all of the obligations and liabilities of MCImetro Access Transmission Services, Inc.; and

WHEREAS, pursuant to Section 20.7.3 of Part A of the Agreement, the Agreement is binding upon and inures to the benefit of MCImetro Access Transmission Services LLC as the successor to MCImetro Access Transmission Services, Inc.; and

WHEREAS, Bell Atlantic and MCImetro Access Transmission Services LLC (the "Parties") wish to amend the Agreement to reflect the appropriate corporate name; and

WHEREAS, Bell Atlantic and MCImetro Access Transmission Services, Inc. entered into a Directory Assistance License Agreement and a Settlement Agreement both dated November 19, 1998; and

WHEREAS, the Parties desire that the Agreement incorporate the rates, terms and conditions of the Directory Assistance License Agreement and the Settlement Agreement;

NOW, THEREFORE, pursuant to Section 20.16 of Part A of the Agreement and as set forth in the Parts A and B and Attachments I, III, V and VIII attached hereto, the Parties agree to amend the Agreement at only those provisions set forth under

Amendment Number Two of the attached List of Revised Sections. This Amendment Number Two in no way modifies, alters or revises the Term of the Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Amendment Number Two to be duly executed and become effective as of the date hereof.

**MCImetro Access Transmission  
Services LLC**

By: 

Name: Marcel Henry

Title: Vice President

Date: 12/16/98

**New York Telephone Company d/b/a  
Bell Atlantic-New York**

By: 

Name: Jeffrey A. Masoner

Title: Vice President

Date: 12-17-98

## **LIST OF REVISED SECTIONS**

### **MCIm-NYNEX NEW YORK INTERCONNECTION AGREEMENT**

#### **AMENDMENT NUMBER 1:** Dated March 2, 1998

##### **List of Affected Sections:**

Attachment III, Sections 2.7  
Attachment III, Section 3  
Attachment III, Section 4.2  
Attachment III, Section 4.4  
Attachment III, Annex 1

#### **AMENDMENT NUMBER 2:** Dated December 17, 1998

##### **List of Affected Sections**

Part A, introductory paragraph  
Part A, Section 20.2.2  
Part A, Section 20.9  
Part B, Section 1.75  
Attachment I, Section IX J  
Attachment III, Section 17  
Attachment V, Appendix A  
Attachment VIII, Section 7.1.6  
Attavchment VIII, Section 7.2.2

**LIST OF REVISED SECTIONS  
MCI<sub>m</sub>-NYNEX NEW YORK  
INTERCONNECTION AGREEMENT**

**LIST OF REVISED SECTIONS**  
**MCIm-NYNEX NEW YORK INTERCONNECTION AGREEMENT**

REVISION NUMBER 1: Dated March 2, 1998

List of Affected Sections:

Attachment III, Sections 2.7  
Attachment III, Section 3  
Attachment III, Section 4.2  
Attachment III, Section 4.4  
Attachment III, Annex 1



**LIST OF CURRENT VERSIONS  
MCIIm-NYNEX NEW YORK INTERCONNECTION AGREEMENT  
(BY ATTACHMENT)**

<u>ATTACHMENT</u>	<u>VERSION</u>
PART A	Original
PART B	Original
ATTACHMENT I	Original
ATTACHMENT II	Original
ATTACHMENT III	Last Revised 3/2/98: Revision Number 1
ATTACHMENT IV	Original
ATTACHMENT V	Original
ATTACHMENT VI	Original
ATTACHMENT VII	Original
ATTACHMENT VIII	Original
ATTACHMENT IX	Original
ATTACHMENT X	Original

**MCIIm-NYNEX NEW YORK INTERCONNECTION AGREEMENT  
(Last Revised 3/2/98: Revision Number 1)**

# **MCI-BA NY 252 AGREEMENT**

To: Distribution

From: Richard Fipphen  
Kim Scardino

Date: October 15, 1997

Re: Final Agreement MCI-BA NY 252 Agreement

Attached for your reference is a copy of the interconnection agreement between MCImetro and New York Telephone for the state of New York. A copy of the New York Public Service Commission's order approving the agreement, issued and effective October 1, 1997, is enclosed. Please note that the attached agreement is the final agreement between the parties and replaces any interconnection agreements previously distributed for New York. Any amendments to the agreement must be approved by the New York Public Service Commission.



STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

REC'D OCT - 3 1997

At a session of the Public Service  
Commission held in the City of  
Albany on September 30, 1997

COMMISSIONERS PRESENT:

John F. O'Mara, Chairman  
Thomas J. Dunleavy  
Maureen O. Helmer

CASE 96-C-0787 - Petition of MCI Telecommunications Corporation,  
Pursuant to Section 252(b) of the  
Telecommunications Act of 1996, for Arbitration  
to Establish an Intercarrier Agreement Between  
MCI and New York Telephone Company

ORDER APPROVING INTERCONNECTION  
AGREEMENT, REJECTING PORTIONS THEREOF,  
AND GRANTING RECONSIDERATION

(Issued and Effective October 1, 1997)

BY THE COMMISSION:

BACKGROUND

At issue is an interconnection agreement (the Agreement) between MCI Metro Access Transmission Services, Inc. (MCI) and New York Telephone Company (New York Telephone), executed on September 2, 1997 and submitted for approval on September 3, 1997 pursuant to §252 of the Telecommunications Act of 1996 (the Act).<sup>1</sup>

Procedural History

Following negotiations between MCI and New York Telephone to arrive at an interconnection agreement under the Act, on August 29, 1996, MCI filed a petition for arbitration, in order to resolve disputed issues; and on September 23, 1996, New York Telephone filed its response. The arbitration proceeding was conducted before Administrative Law Judge Eleanor Stein. In

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<sup>1</sup> 47 U.S.C. §252(e)(1).

addition, on August 29, 1996, MCI filed a request for mediation under the Act, and this proceeding was mediated by Administrative Law Judge Judith A. Lee.<sup>1</sup> At Judge Stein's urging, the parties removed from arbitration those issues that were the subject of mediation or negotiation, and issues as to which the filings indicated substantial agreement. In addition, she ruled that certain issues proposed for arbitration would be resolved in generic proceedings expected to conclude prior to the close of the arbitration period. On December 23, 1996, we issued the arbitration award including, in Appendix A, determinations on a final offer basis of numerous specific operational issues.<sup>2</sup>

MCI, New York Telephone, and MFS Intelenet of New York, Inc. (MFS) sought rehearing or clarification of various aspects of the arbitration award. On April 11, 1997, we granted in part, denied in part, and dismissed in part these petitions for rehearing and clarification.<sup>3</sup> In addition, in order to meet the objective of the Act to develop competitive markets expeditiously, consistent with our long-standing policy, we required the parties to file a fully executed interconnection agreement within 15 days.

The parties were unable to comply with this order, informing us that additional irreconcilable differences prevented them from embodying the arbitration awards in contract form. MCI and New York Telephone requested the services of Judge Stein in resolving their ongoing disputes, filing the first of several stipulations to a voluntary binding final offer procedure; after considerable dispute, the parties' ultimate procedural stipulation was filed with the Judge on July 16, 1997. This stipulation provided for the Judge to adopt final offer contract

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<sup>1</sup> Case 96-C-0785, Joint Petition of MCI Telecommunications Corporation and MCImetro Access Transmission Services, Inc. for Mediation Pursuant to §252(a)(2) of the Telecommunications Act of 1996.

<sup>2</sup> Case 96-C-0787, Opinion No. 96-33 (issued December 23, 1996).

<sup>3</sup> Case 96-C-0787, Opinion No. 97-3 (issued April 11, 1997).

language offered by either party, or to substitute her own language, with respect to numerous disputed contract provisions; and removed from arbitration specified issues. The parties also stipulated to execute and file for approval a completed interconnection agreement no later than five days after the issuance of the Judge's final offer findings.

While the Judge and a staff team were considering the parties' final offers, negotiations involving both counsel and principals proceeded. These negotiations at times involved mediation efforts by the Judge, at the parties' request. As a result, additional issues were removed from the final offer arbitration by stipulation of the parties. Among these were all issues contained in Part A to the Agreement (General Terms and Conditions), as well as numerous others.

#### The Iowa Utilities Board Decision

On July 18, 1997, the United States Court of Appeals for the Eighth Circuit issued its opinion in Iowa Utilities Board v. Federal Communications Commission, invalidating<sup>1</sup> specific provisions of the Federal Communications Commission (FCC) Order implementing §§251 and 252 of the Act.<sup>2</sup> By letter dated August 5, 1997, New York Telephone requested of Judge Stein that it have an opportunity to brief the impact of the Eighth Circuit Court decision, asserting that the decision substantially undermined the legal basis for numerous provisions requested by MCI in the final offer process. MCI demurred. The parties filed comments

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<sup>1</sup> The Eighth Circuit, in response to motions from incumbent local exchange carriers and state utility commissions, stayed, pending its final review, the operation and effect of the pricing provisions and the "pick and choose" rule in the Local Competition Order. Iowa Utilities Board v. FCC, 109 F.3d 418(8th Cir.), motion to vacate stay denied, \_\_\_ U.S. \_\_\_, 117 S.Ct. 429 (1996).

<sup>2</sup> \_\_\_ F.3d \_\_\_, Nos. 96-3321 et al. (filed July 18, 1997), interpreting FCC First Report and Order, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98 (August 8, 1996) (Local Competition Order).

and reply comments concerning the impact, if any, of the Eighth Circuit decision; the Judge informed them that she would take their legal arguments into consideration when rendering her final offer findings. Accordingly, on August 25, 1997, the Judge released findings, including some concerning parties' legal arguments with respect to the Eighth Circuit decision, insofar as that decision impacted on those disputed provisions that were the subject of final offers.

With respect to those provisions not at the time in dispute between the parties, the Judge informed them that we would rule on those issues of law in the approval phase subsequent to the parties' filing of an executed interconnection agreement. We have incorporated the parties' comments and reply comments, dated August 5 and August 15, 1997, into our record and have considered them as to this approval petition, with respect to the effect of the Eighth Circuit decision on those aspects of the Agreement not the subject of the recent voluntary final offer process.<sup>1</sup>

#### STANDARDS OF REVIEW

According to New York Telephone, the Commission is required to apply the holdings of the United States Court of Appeals for the Eighth Circuit and, as a result, invalidate numerous Agreement provisions. New York Telephone's objections to the Agreement focus first on service quality. New York Telephone contends that numerous provisions place upon it a burden of service quality in excess of that required by the Eighth Circuit. It urges us to adopt general language, including a definition of parity, that would lessen its burden in this

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<sup>1</sup> In its September 3, 1997 filing, New York Telephone also includes a late request for reconsideration of the Commission arbitration award provision concerning directory advertising (Agreement, Attachment VIII, §7.1.5.12). This award was applied to specific contract provisions by the Judge in the August 25, 1997 findings. However, because it appears the issue was incorrectly decided in the context of a §252 arbitration, we will reconsider it here.



regard. Second, as to requirements for the provision of unbundled elements, New York Telephone asserts that the Eighth Circuit decision relieves it of the obligation to unbundle wherever technically feasible, but asserts that the Agreement forces it to do so. Third, as to entitlement to costs, New York Telephone asserts that the Eighth Circuit decision entitles it to all cost onsets resulting from the opening of its network. Fourth, in regard to interim number portability compensation, New York Telephone views certain of the provisions resulting from the arbitration award as violative of the Eighth Circuit decision; and finally, as to pick and choose, New York Telephone considers the Agreement includes language beyond what the Eighth Circuit requires.

In MCI's view, we did not base our arbitration awards on FCC precedent and therefore they are unaffected by the Eighth Circuit holdings. In addition, MCI refers New York Telephone to Agreement Part A, §§8.1 and 8.2, providing for renegotiation of contract provisions altered or made illegal by regulatory or judicial action.

We may treat differently those provisions in the Agreement that are the result of arbitration decisions, and those that are the result of the bargaining process between the parties.<sup>1</sup> We have an obligation, where necessary, to modify the results of an arbitration decision, where our reasoning was based either upon an interpretation of §§251 and 252 of the Act, or upon FCC regulations, when that interpretation or regulation was subsequently vacated by the Eighth Circuit. New York Telephone is correct that existing law concerning the interpretation of §251 should be applied in arbitration and approval decisions. However, we will not interfere with those provisions arrived at through negotiations by the parties.

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<sup>1</sup> Congress expected agreements to be arrived at in part through negotiation and in part through arbitration. See 47 U.S.C. §252(b)(2).

The Act provides that a state commission can reject a portion of an agreement adopted by *negotiation* only if it finds that the agreement discriminates against a telecommunications carrier not a party to the agreement, or that the implementation of those portions is not consistent with the public interest. In contrast, the Act provides that a state commission can reject a portion of an agreement adopted by *arbitration* if it finds that it does not meet the requirements of §§251 and 252, including related regulations prescribed by the FCC. We interpret this to require us to apply §§251 and 252, and the applicable FCC rules, in reviewing portions of interconnection agreements arrived at by arbitration. However, we may reject a bargained-for exchange only to the extent it is discriminatory or contrary to the public interest.<sup>1</sup> The Act favors negotiation, according negotiating parties great freedom to strike bargains, requiring only that they not discriminate or violate the public interest. There is no legal requirement that we amend the negotiated portions of the Agreement or reject them on other than the enumerated grounds. There are provisions negotiated by the parties in which one or the other parties ceded its maximum legal entitlement; we presume these to be bargained-for exchanges. Accordingly, we will apply these two standards of review.

#### SPECIFIC ISSUES

##### Service Quality

The Act requires a local exchange carrier to provide interconnection "that is at least equal in quality to that provided by the local exchange carrier to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection".<sup>2</sup> We initially found that "[i]n

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<sup>1</sup> In this case, both parties were aware of the status of the litigation in the Eighth Circuit, and of its stay of the FCC pricing and pick and choose provisions, and bargained in its shadow.

<sup>2</sup> 47 U.S.C. §252(c)(2)(C).

contracting to purchase services from New York Telephone, MCI is entitled to receive measurable and enforceable performance criteria."<sup>1</sup> On rehearing, we modified the Opinion insofar as New York Telephone identified specific intervals for the provisioning of services. However, we reiterated that there was "no reason to modify our conclusion that 'general assurances of parity, absent specific commitments to explicit standards, may put [MCI] at a competitive disadvantage.'"<sup>2</sup>

The Eighth Circuit vacated the FCC regulation that would require a local exchange carrier to provide interconnection superior in levels of quality to that provided to itself. The Court held that §251(c)(2)(C)'s requirement of interconnection that is at least equal in quality to that provided by the local exchange carrier to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection mandates only that the quality be equal--not superior. After the issuance of the Eighth Circuit decision, the Judge placed the burden on the parties to identify those Agreement provisions they believed were not in compliance with the Act because of the Eighth Circuit decision. To the extent that such provisions were identified, and were the subject of arbitration, we will reconsider them.

During the arbitration phases of this proceeding New York Telephone asserted that a general offer of parity complied with the Act. In the final offer process, parties were informed that specific, measurable quality standards for each of the services to which such standards apply would be adopted. Where no standard was available in the our regulations, parties were invited to proffer final offers including specific standards. Where New York Telephone failed to proffer any specific metrics, and we found that MCI's final offers were not unreasonable, MCI's were adopted.

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<sup>1</sup> Case 96-C-0787, Opinion No. 96-33, mimeo, p. 38.

<sup>2</sup> Case 96-C-0787, Opinion No. 97-3, mimeo, p. 4.

New York Telephone now asserts that certain of these standards adopted in arbitration and embodied in the Agreement exceed the standards set forth by the Eighth Circuit. In New York Telephone's view, MCI's attempts to impose higher standards materially affected the entire course of the negotiations and arbitration. Generally, New York Telephone proposes that we insert its definition of parity in Part A of the Agreement; and it flags specific Agreement sections it maintains require it to exceed parity.<sup>1</sup> New York Telephone maintains that there are two categories of affected provisions: those that specify performance metrics that exceed the standards applicable today and those referring to technical references and other network documentation as if these were specific network requirements in effect today. New York Telephone proposes that the Commission insert a controlling provision that would specifically supersede any contrary provisions in the Attachments, including a definition of parity that would be applicable throughout the Agreement. Its proposed parity standard would require New York Telephone to provide interconnection, resale, and access to network elements, and access to operation support systems at a level of quality that is equal to that which it provides itself.<sup>2</sup>

In response, MCI argues that New York Telephone's position concerning superior service quality has been argued, briefed and resolved by the Commission and is, therefore, not

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<sup>1</sup> The provisions identified by New York Telephone that come within this category are the following: Attachment III, §§ 13.4.2.7; 13.4.2.15; Attachment VIII, §§3.5.1.6; 3.5.1.11; 3.5.2.2; 4.4.1.2; 4.4.1.3; 5.4.9.1; 5.4.9.2; 5.4.9.3; 6.4.1.6; and 6.4.1.7.

<sup>2</sup> New York Telephone also asserts that conforming changes must be made to Attachment X, concerning credits for performance standards failures. Because we are not now adjusting the performance standards, this appears unnecessary, with the exception of Attachment X, §3.1.2, concerning the level of delay credits for end-users resulting from missed appointments. With respect to this section, New York Telephone provides alternative language more consistent with the Eighth Circuit determination, and it is adopted.

appropriate for reexamination. MCI adds that the Eighth Circuit decision has no effect on the Agreement because the Commission did not base resolution of any of the arbitration issues on an invalid FCC rule.<sup>1</sup>

New York Telephone's definition fails to include measurable criteria to determine whether the quality of service MCI would receive is, in fact, the same as New York Telephone provides itself. New York Telephone must demonstrate through testing or other verifiable means its own use of specific criteria in providing the service, element, or interconnection to MCI. We reject, therefore, New York Telephone's proposed definition of parity and reaffirm our initial conclusion that general assurances of parity, absent specific commitments to explicit standards, are insufficient and may put competitive local exchange carriers at an unreasonable disadvantage.

To the extent that specific standards were proposed by New York Telephone, consistent with the Act requirement that New York Telephone provide interconnection "at least in quality to that provided by the local exchange carrier to itself",<sup>2</sup> we adopted them. We nowhere relied on the FCC rules to require New York Telephone to provide a superior level of service.<sup>3</sup> Indeed where, in final offer, MCI submitted such language, we consistently rejected it.

We find for New York Telephone, however, to the extent it asserts certain arbitrated technical requirements are impossible to meet with today's network configuration.<sup>4</sup> As to

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<sup>1</sup> MCI's Reply Comments, p. 8.

<sup>2</sup> 47 U.S.C. §251(c)(2)(C).

<sup>3</sup> The Act reserves to state commissions jurisdiction to enforce state requirements in review of agreements including, in particular, service quality standards, as long as state requirements do not constitute barriers to entry. 47 U.S.C. §252(e)(3).

<sup>4</sup> These are enumerated in the first paragraph of Appendix A to New York Telephone's August 15, 1997 Comments, and include Attachment III, §4.4.1.3.

those sections of the Agreement, we will grant New York Telephone 30 days to file substitute measurements of parity that are verifiable and specific.

Requirements for the Provision of Network Elements

New York Telephone asserts that in some provisions the Agreement binds it to provide network elements at MCI's request upon a showing that such provision is technically feasible, whereas the Eighth Circuit concluded that a competitive local exchange carrier was required to assert that a particular element was not only feasible to provide, but necessary for its entry into the local exchange market. New York Telephone contests the order requiring it to provide sub-loop unbundling, in particular loop distribution, loop feeder, and loop concentrator/multiplexer. We ordered New York Telephone to provide these sub-loop elements based on our finding that such unbundling was technically feasible.<sup>1</sup>

The Eighth Circuit held that FCC regulations cannot predicate an unbundling requirement solely on a showing by a new entrant that unbundling is technically feasible. To obtain unbundling of a network element that is proprietary in nature, the court held, a competitor must show that the failure to provide access to a network element would impair its ability to provide the services that it seeks to offer.

On this basis, we will revisit our application in this arbitration of the technical feasibility test. New York Telephone has agreed to consider network element unbundling requests through its Bona Fide Request process; MCI may avail itself of this process. In addition or alternatively, at MCI's option, it may seek to demonstrate to us within 30 days that a failure by New York Telephone to provide it sub-loop unbundling would impair MCI's ability to provide the services it seeks to offer.

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<sup>1</sup> Case 96-C-0787, Opinion No. 96-33, mimeo, p. 12.

Entitlement to Costs

New York Telephone asserts that some provisions the Agreement specifically provide for it to recover its costs in providing service to MCI; in other sections the right to cost recovery is not explicitly indicated; it notes one section in which cost recovery is denied, assertedly unlawfully. In New York Telephone's view, the Eighth Circuit decision that the incumbent local exchange carrier is entitled to recover costs for providing services to or at the request of the competitive local exchange carrier requires amendment to Part A to include general language entitling it to compensation.

Inasmuch as Part A contains the general terms of the Agreement, and was negotiated and expressly removed from arbitration by the parties, we see no basis to amend it. The specific provision cited by New York Telephone as unlawful simply requires that if New York Telephone cannot provide a requested system to MCI it will provide an alternative at no additional cost to MCI. This was a bargained-for provision. Nothing in the Eighth Circuit decision precludes an incumbent local exchange carrier from making such an accommodation; nor is it discriminatory or in conflict with the public interest, convenience, and necessity.<sup>1</sup> Therefore we see no reason to disturb it.

Interim Number Portability Compensation

In the arbitration award, we accepted MCI's argument that intrastate terminating carrier access charges on ported calls should be shared between the incumbent and new entrants, on an interim basis, as a transition to competition. We rejected New York Telephone's contention that our prior decisions, including that in the Rochester Open Market Plan, constrained us to refuse to order sharing of access charges. On rehearing, we reaffirmed our determination, noting that although we found New

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<sup>1</sup> 47 U.S.C. §252(e)(2)(A).

York Telephone's proposal inconsistent with the FCC approach--generally favoring interim sharing of access charges--this was only part of the basis of the determination. We reaffirmed our holding that, for the interim period, sharing was an appropriate competitively neutral outcome.<sup>1</sup>

New York Telephone asserts the Eighth Circuit decision requires us to reverse our arbitration determination concerning sharing of interim number portability compensation, on the ground that we relied upon FCC precedent nullified by that judicial decision. MCI responds that although the arbitration award refers to the FCC, it expressly declines to rely upon FCC regulations, instead grounding the outcome in our own policy.

New York Telephone's argument is without merit. The FCC number portability policies are not included in the Local Competition Order vacated, in part, by the Eighth Circuit, but in separate number portability orders, untouched by the Eighth Circuit holding.<sup>2</sup> We see no reason to disturb our conclusion that for the interim period sharing of access charges is acceptable.

#### The Pick and Choose Provisions

New York Telephone considers the Agreement includes "pick and choose" language beyond what the Eighth Circuit requires of incumbent local exchange carriers, in light of that court's holding that the FCC pick and choose regulation exceeded the requirements of the Act.

Contract language reflecting the pick and choose standard appears in sections of the Agreement that were never arbitrated; they were arrived at entirely through negotiation.

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<sup>1</sup> Case 96-C-0787, Opinion No. 97-3, mimeo, p. 16.

<sup>2</sup> First Report and Order on Telephone Number Portability, CC Docket 95-116 (issued July 2, 1996) (LNP Order); FCC 96-286 (Number Portability Order). New York Telephone's attenuated argument that the Eighth Circuit decision generally vacates FCC pricing authority and thereby requires reconsideration of this decision is not persuasive.



Accordingly, they are evaluated pursuant to §252(e)(A) of the Act. Although the Eighth Circuit vacated the FCC rule, the Act requires a local exchange carrier to make available

any interconnection, service, or network element provided under an agreement approved under this section to which it is a party to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement.<sup>1</sup>

The Agreement pick and choose language tracks this statutory language interpreted by the Eighth Circuit not to entitle requesting carriers to choose individual provisions of other interconnection agreements without being required to accept the terms and conditions of those agreements in their entirety. Accordingly, there is neither a conflict with the public interest nor discrimination in approving this portion of the Agreement.<sup>2</sup>

NEW YORK TELEPHONE'S PETITION FOR RECONSIDERATION

New York Telephone requests reconsideration of our arbitration award finding concerning directory advertising in §7.1.5.12 of Attachment VIII. While New York Telephone raised this issue unsuccessfully in the most recent final offer process, we will consider this a late petition for rehearing of the arbitration award.

This provision, which pertains to enhanced white pages and yellow pages advertising, states that MCI will contract with New York Telephone to use its advertising sales force and processes as MCI's agent to sell enhanced listings and advertising products to MCI customers. All charges for any advertising from MCI customers will be billed by New York Telephone, and MCI will receive a 20% commission on all revenue generated from these sales. New York Telephone argues that this

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<sup>1</sup> 47 U.S.C. §252(i).

<sup>2</sup> 47 U.S.C. §252(e)(1); similarly, the Eighth Circuit decision regarding the combination of unbundled network elements does not require rejection of the relevant portions of the Agreement.